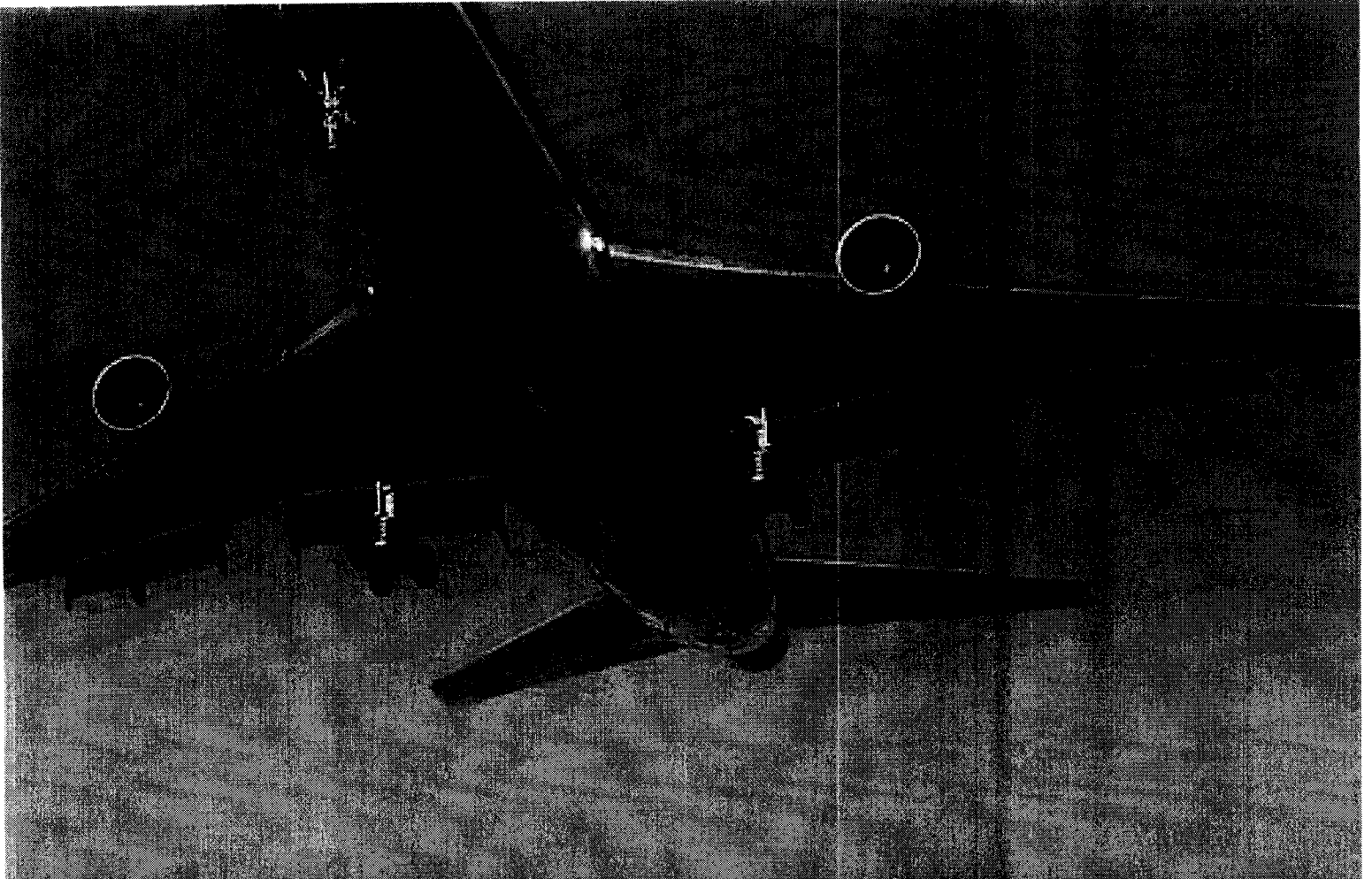


EXHIBIT G



Report on Effects on Privacy & Civil Liberties

DHS Privacy Office Report Assessing the Impact of the
Automatic Selectee and No Fly Lists on Privacy and Civil
Liberties as Required Under Section 4012(b) of the
Intelligence Reform and Terrorism Prevention Act of 2004

April 27, 2006



**Homeland
Security**



Report Assessing the Impact of the
Automatic Selectee and No Fly Lists on
Privacy and Civil Liberties as Required
Under Section 4012(b) of the Intelligence
Reform and Terrorism Prevention Act of
2004, Public Law 108-458

Respectfully submitted
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April 27, 2006

No-Fly Report
DHS Privacy Office
April 27, 2006

I. Executive Summary

This report responds to Section 4012(b)(2) of the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004, P.L. 108-458, which requires the "Security Privacy Officer" of the Department of Homeland Security (DHS) to submit to Congress a report assessing the impact of the Automatic Selectee and No-fly ("Selectee" and "No-fly") lists on privacy and civil liberties. In particular, the Privacy Office was asked to make recommendations for practices, procedures, regulations, or legislation necessary "to minimize adverse effects of [these lists] on privacy, discrimination, due process, and other civil liberties"; to discuss the implications of "applying those lists to other modes of transportation"; and to discuss the effect that the implementation of recommendations would have on "the effectiveness of the use of such lists to protect the United States against terrorist attacks".¹

The No-fly list is a list of individuals who are prohibited from boarding an aircraft. The Automatic Selectee list is a list of individuals who must undergo additional security screening before being permitted to board an aircraft. Originally created and maintained by the Transportation Security Administration (TSA), No-fly and Selectee lists are now derived from the consolidated terrorist watch list maintained by the Terrorist Screening Center (TSC).² Two agencies of the Department of Homeland Security, TSA and Bureau of Customs and Border Protection (CBP), use the No-fly and Selectee lists for screening airline passengers. TSA is responsible for screening domestic airline passengers; CBP screens international passengers. CBP also uses these lists to screen cruise line passengers.

The terrorist watch list and No-fly and Selectee lists are useful tools for preventing terrorist activity that could endanger the safety of airline passengers and others. Understandably, the collection of personal information to create these tools may raise concerns about privacy and civil liberties. For example, to perform matching with reasonable quality and to correct mistakes, the entities that now use watch lists must collect personal information from everyone who travels by air or passenger ship, raising concerns that this information might be used inappropriately, particularly if adequate safeguards are not in place. Further, individuals who are mistakenly put on watch lists or who are misidentified as being on these lists can potentially face consequences ranging from inconvenience and delay to loss of liberty.

¹ This report focuses on privacy and civil liberties issues in the use of No-Fly and Selectee lists consistent with the statutory authority and subject matter expertise of the DHS Chief Privacy Officer.

² In addition to the Selectee list maintained by the TSC, TSA maintains a short list of Non-terrorist Selectees.